



NextGen Payroll Postings Notes

AASBO 2023

Payroll Posting – Deduction Refund

Deduction Refund Notes:

1. If taking a credit from the vendor: Reduce future vendor check by offline refunds.
2. If the vendor sends funds (check) to the district directly: A J/E needs to be recorded to receive the funds from the vendor into the payroll account, (Debit) payroll cash account & (Credit) deduction liabilities associated with refunded deductions, and all money from the vendor should be deposited into the payroll bank account.
3. If deposits are not allowed in your payroll account, an additional Journal Entry and deposit will need to be made in the General Fund prior to step #2 above.
4. Upon completion of the offline refund, Board portions of a refund need to be physically transferred from the payroll bank account to the corresponding salary expense bank account.
5. A void of a deduction refund check will make the exact opposite entries.

Payroll Posting – Deduction Payment

Deduction Payment Notes:

1. Money to cover Board payment needs to be physically transferred to the payroll account at the bank.
2. Money from the employee needs to be deposited into the payroll bank account.
3. After the offline deduction payment there will be a (Debit) cash balance and (Credit) liability balances until vendor checks are issued.
4. Vendor checks need to be issue to cover the payments. This will clear out the (Debit) cash balance and the (Credit) liability balances in place since the offline deduction payment.
5. A void of a deduction payment makes the exact opposite journal entry and if (1), (2) & (3) have been done, the opposite should occur.

Payroll Posting – Void Checks

Void Check Notes:

1. A void of a regular employee check will leave (Debit) balances on all deduction liability accounts in the payroll fund. When money is received back from the vendor and the appropriate journal entry is made, this will be cleared out.
2. A void of a regular employee check will leave a (Credit) balance in payroll cash. When money is received back from the vendor and the appropriate journal entry is made, this will be cleared out.
3. When monies are received back from the vendor due to a voided employee check, a J/E needs to be entered (Debit) to payroll cash. This will offset the credit cash balance in place since the voided employee check.
4. When monies are received back from the vendor due to a voided employee check, a J/E needs to be entered (Credit) to all affected deduction liability accounts. This will offset the debit liabilities balance in place since the voided employee check.
5. A physical transfer needs to occur for the full gross pay plus Board paid deductions from payroll to the affected salary expense source of funds bank account.
6. If this transfer occurs before vendors send back refund payments, the payroll bank account may not have the necessary funds to cover it. This is a client decision.
7. The general ledger books will appear as though the entire gross pay plus Board paid deductions have been transferred whether or not monies have been received from the vendor.

Payroll Posting – Offline Employee Check

Offline Employee Check Notes:

1. The amount of gross pay plus Board side deductions needs to be physically transferred from the individual sources of funds (bank accounts) to the payroll bank account, covering Gross pay plus all Board side deductions.
2. Vendor checks or journal entries will need to be made reflecting paying the vendor for deductions withheld on the employee offline check.
3. A void of an employee offline employee check will make the exact opposite entry.
4. A negative offline employee check will make the same entry as a void offline employee check (the opposite of a regular employee offline check).

Payroll Posting – Regular Payroll Processing

Regular Payroll Processing Notes:

1. The amount of gross pay plus Board side deductions needs to be physically transferred from the individual sources of funds (bank accounts) to the payroll bank account.
2. Any vendor checks that were not set to print with the regular payroll run will need to be issued using a vendor deduction check run or manual JE.
3. A void of a regular employee check will make opposite entries to settle the non-payroll fund sources.
4. A void of a regular employee check will leave (Debit) balances on all deduction liability accounts in the payroll fund. When money is received back from the vendor and the appropriate journal entry is made, this will be cleared out.
5. A void of a regular employee check will leave a (Credit) balance in payroll cash. When money is received back from the vendor and the appropriate journal entry is made, this will be cleared out.
6. When monies are received back from the vendor due to a voided employee check, a J/E needs to be entered (Debit) to payroll cash. This will offset the credit cash balance in place since the voided employee check.
7. When monies are received back from the vendor due to a voided employee check, a J/E needs to be entered (Credit) to all affected deduction liability accounts. This will offset the debit liabilities balance in place since the voided employee check.